

FISCAL NOTE

HB 2220 - SB 2279

January 18, 2002

SUMMARY OF BILL:

- Increases the wholesale tax on cigarettes from 13 cents per pack to 19 cents per pack, effective August 1, 2002. Allocates the revenue from such increase to elementary, secondary, and higher education.
- Provides that any wholesale dealers, jobbers, tobacco distributors and retail dealers having cigarette tax stamps in their possession on July 31, 2002, shall not have to pay the additional cigarette tax on such stamps resulting from the tax increase.
- Increases the wholesale tax on wine from \$1.10 per gallon to \$1.40 per gallon, effective September 1, 2002. Allocates the revenue from such increase to elementary, secondary, and higher education.
- Increases the wholesale tax on spirits from \$4.00 per gallon to \$4.48 per gallon, effective September 1, 2002. Allocates the revenue from such increase to elementary, secondary, and higher education.
- Increases the wholesale tax on beer from \$3.90 per barrel to \$7.14 per barrel, effective September 1, 2002. Allocates the revenues from such increase to elementary, secondary, and higher education.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$40,633,992 FY02-03

Increase State Expenditures - \$66,875 One-Time

Increase Local Govt. Revenues - \$4,069,004 FY02-03

Estimate assumes the following:

- The net increase in state revenues is estimated to be \$40,633,992 in FY02-03; of which,
 - \$26,420,680 (11 months) is from cigarettes
 - \$893,944 (10 months) is from wine
 - \$977,437 (10 months) is from spirits
 - \$7,599,828 (10 months) is from alcohol(beer)
 - \$4,742,103 is from increased sales taxes due to higher prices
- The net increase in local government revenues is estimated to be \$4,069,004 in FY02-03; of which,
 - \$189,624 (10 monist) is from wine
 - \$21,578 (10 months) is from spirits
 - \$1,960,961 months) is from alcohol(beer)
 - \$1,896,841 is from increased sales taxes due to higher prices
- A one-time increase in state expenditures of \$66,875 for MIS system modification costs in the Department of Revenue.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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